

ANNEX: ADDITIONAL INDICATORS 2023

The 2023 Sustainability Report includes all activities considered for financial reporting purposes. Thus, it should be noted that 100% of SIDERPERU's income comes from the production and sale of steel. These company activities take place at its following locations:

- 1 Complejo industrial (Chimbote, Ancash)
- 1 Unidad comercial (Lima)
- 3 centros de distribución (Lima, Arequipa y Chimbote)

1. Economic and Governance Dimension

1.1. Corporate Governance

1.1.1. Board of Directors:

Board of Directors (One-tier system)	
Mr. Leslie Harold Pierce Diez Canseco	Independent director (Chairman of the Board)
Mr. Juan Boria Rubio	Independent director
Mr. Marcos Mattiello	Executive director (CEO – General manager)

- **Board Independence**

We have a target of 50% of independent directors on the board. In this way, our two independent directors meet the following criteria:

- The director must not accept or have a Family Member who accepts any payments from the company or any parent or subsidiary of the company more than \$60,000 during the current fiscal year.
- The director must not be a “Family Member of an individual who is employed by the company or by any parent or subsidiary of the company as an executive officer.”
- The director must not be affiliated with a significant customer or supplier of the company.
- The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.
- The director must not have been a partner or employee of the company's outside auditor during the past year.

- **Board Effectiveness**

- **Board Meeting Attendance:**

In 2023, there was 13 Board meeting including the General annual meeting of shareholders. There was 100% attendance by all three directors, exceeding the minimum required attendance of 80%.

- **Board Performance:**

We have a regular self-assessment of board performance.

- **Board Election Process:**

Every three years, there is an election process for the Board of Directors and members are elected individually.

1.1.2. Management

- **Management ownership:**

Neither the President nor the Directors nor the members of the Executive Committee own more than 0.5% of the company's shares, which is what is reported to the local regulatory body (SMV).

- **CEO Compensation - Success Metrics:**
Compliance with ESG indicators and achievement of the established objectives determines the variable compensation of the Executive Committee, which includes the CEO. Please see page 7 for details of the indicators considered.

1.2. Policy influence

1.2.1. Largest Contributions & Expenditures

SIDERPERU did not make any contributions or have any expenditures following our Code of Conduct.

1.2.2. Lobbying and Trade Associations - Climate Alignment

SIDERPERU does not publicly report on its climate alignment program. We are part B corporations, but did not make any significant monetary contribution.

1.3. Tax Reporting

We only report about SIDERPERU, whose corporate name is EMPRESA SIDERURGICA DEL PERU S.A.A with RUC number 20402885549. This is the only resident entity, whose geographical and fiscal scope is Peru.

Primary activity: SIDERPERU is mainly engaged in production and trade of steel products and serves civil construction, industry and mining markets, the company is empowered to be engaged in all activities allowed by Peruvian law, particularly those related to the steel industry.

<i>(in millions of soles)</i>	2021	2022	2023
Revenue	2,439	2,743	2,385
Profit before tax	461	321	182
Income tax paid	138	101	66
Cash taxes paid	97	148	60

1.4. Materiality

- **Material Issues for Enterprise Value Creation**

	Issue 1	Issue 2	Issue 3
Material Risk or Opportunity	Availability of scrap (raw material) to support market growth	Loss of local productive capacity - technological obsolescence	International steel price and local competition
Business Impact	Supply Chain Management	Innovation Management	Responsible Marketing & Labelling
Category	Risk	Risk	Cost
Target year	2025	2025	2025

1.5. Risk & Crisis Management

1.5.1. Emerging Risks

Emerging Risks	ER1	ER2
Name	Strong and sudden changes in policies to mitigate climate change that may affect our business.	Interruption in the supply of critical inputs and/or impact in our financial results due to disruptive events in the world supply chains resulting from geopolitical and economic tensions between countries.
Category	Environmental	Geopolitical

Description	The growing concern about climate-related risks on top of the fact that Peru has established 2023 as the deadline to implement the Nationally Determined Contributions (NDCs) without making any significant progress to date, increases the risk that the Government may implement abrupt measures to reach such goals and discourage the generation of GHG, such as carbon pricing, taxes on the use of electric power from non-renewable sources, taxes on vehicle fuel and increase of regulations.	Geopolitical risks and economic clashes between the main world powers, armed conflicts, inefficient international cooperation measures continue to be the most important risks that generate uncertainty about the future of global supply chains.
Impact	Financial impact	Financial impact
Mitigating actions	2. Increase in production costs due to the implementation of carbon pricing. 3. Reputational impacts for failing to comply with voluntary commitments.	4. Impact on the business continuity due to lack of key inputs for the operations. 5. Increase in the cost of supply of materials and critical inputs such as ferrous recycled steel, spare parts, among other.

2. Environmental Dimension

2.1. Environmental violations

	2020	2021	2022	2023
<i>Number of violations of legal obligations/regulations</i>	0	1	0	0
<i>Amount of fines/penalties related to the above. (Soles/PEN)</i>	0	895,756.40	0	0
<i>Environmental liability accrued at year end.</i>	0	0	0	0

2.2. Water management

2.2.1. Business Impacts of Water Related Incidents

SIDERPERU considers the water management a relevant topic in the construction of its goals. The company is responsible for ensuring the legal compliance of its operations and for adopting a preventive approach with regard to possible water-related impacts.

SIDERPERU has no report any water-related incidents (operation interruptions/plant closures etc.) with substantial impacts on costs/revenues in the last four fiscal years.

Incidents	2020	2021	2022	2023
<i>Total actual and opportunity from water-related incidents (PEN/ Soles)</i>	0	0	0	0

3. Social dimension

3.1. Customer relations Human Rights

Human Rights Due Diligence Process: In 2023, we have proactively conducted an assessment of potential human rights issues as part of an integrated risk management initiative. This evaluation will be every year.

For this first evaluation, we carry out the risk identification only in our own operations, but we have contemplated for the next years to carry out said evaluation also for our value chain.

In this assessment, we do not cover the following issues because we have already eliminated those risks in our operations, and we are very careful to extend and promote those guidelines in our value chain:

- Forced labor
- Human trafficking
- Child labor

Process	Business Risk (Human rights issues covered/identified)	Risk detail	Groups at risk
People management	Discrimination	Harm the work environment, contradicting one of our principles: diverse and inclusive environment / Damage our relationship with the community.	Own employees/ Women/ Local communities
People management	Equal remuneration	Gender pay gap	Women
People management	Freedom of association	Putting the relationship with more than 50% of our collaborators who are unionized at risk.	Own employees
People management	Right to collective bargaining	Deterioration of the relationship with the two unions.	Own employees

Human Rights Mitigation and Remediation

Governance

We have the following committees to address the different cases that could arise due to violation of human rights:

*Diversity Committee

*Occupational Health and Safety Committee

*Intervention Committee against sexual harassment in the workplace

Scope: Guidelines related to this topic are mandatory for all employees, regardless of where they operate:

*Chimbote

*Lima

*Otros: Arequipa, Trujillo, Huancayo and Chiclayo.

Mitigation actions:

*We developed a training to present our Crime Prevention Model.

*100% of new hires were trained in the Code of Ethics and Sexual Harassment.

*Our employees received training in the Code of Ethics.

*2 new e-learning courses will be applied in 2023: Sexual Harassment and Fight against corruption and crime prevention model.

Remediation:

To date, SIDERPERÚ has not reported any incidents of human rights violations. Therefore, we have not had to apply any remedial measure.

Complaints related to these issues may be presented through the following channels:

- Online: On the Gerdau's website (www.gerdau.com) or on the company's Intranet.
- Telephone: (+5551) 3323-1901 or internal extension 1901.
- Email: canal.etica@gerdau.com.br
- Traditional mail: Sent to the Gerdau's Audit Committee: Av. Dra. Ruth Cardoso, 8,501 – San Pablo– SP– CP 05425-070

Evolution of complaints received through the Ethics Channel:

	2022	2023	General Total
Inadmissible	5	2	7
Admissible	1	2	3
Partially admissible	2	1	3
General Total	8	5	13

Neither of the two admissible complaints of 2023 was related to the issue of human rights, nor was the partially admissible one.

3.2. Occupational Health & Safety

3.2.1. Fatalities

Given the strong safety culture, we have no record of fatalities:

	2020	2021	2022	2023
Employees	0	0	0	0
Contractors	0	0	0	0

The safety of people is a principle that supersedes all of its other purposes and priorities. No result is more important than protecting people's lives. "Safety above all" is the top priority among Siderperu's principles.

The Company maintains a safe and healthy workplace for its employees and invests regularly in improving working conditions and training. It maintains a series of internal health and safety requirements and complies with all legislation of the countries where it operates.

3.2.2. Lost-Time Injury Frequency Rate (LTIFR)

- Employees

	2020	2021	2022	2023
LTIFR (n/millions of hours worked)	0.94	1.71	1.20	1.98

Number of hours worked (direct employees):

2.1MM (2020), 2.3 MM (2021), 2.5 MM (2022), 2.5 MM (2023)

- Contractors

	2020	2021	2022	2023
LTIFR	1.92	2.83	0.89	0.88

Number of hours worked (third-party employees):

519,575 (2020), 707,178 (2021), 1.2MM (2022), 1.1MM (2023)

3.2.3. Total Recordable Injury Frequency Rate (TRIFR)

- Employees

	2020	2021	2022	2023
TRIFR (n/millions of hours worked)	0.94	1.71	1.60	2.37

- Contractors

	2020	2021	2022	2023
TRIFR	3.85	2.83	2.68	2.65

3.3. Customer Satisfaction Measurement

In 2023, we maintained healthy levels of customer satisfaction in our Civil Distribution business, which represents most of our sales (up to 80%).

CSAT: Indicator to measure the satisfaction of a customer with products, services or experiences with a brand. It is obtained from the division of the addition of all the scores obtained and the total number of ratings.

	2020	2021	2022	2023	Target 2023
Customer satisfaction level (CSAT)	88	89	83	77	80

(Percentage of satisfaction of all customers who answered the survey)

3.4. Workforce Breakdown

Diversity Indicator	Percentage (0 - 100 %)
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	33
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	33
Share of women in STEM-related positions (as % of total STEM positions)	21

3.4.1. Local employment

Chimbote: operating site level

	2023
Percentage of local people employed at Chimbote	95.72

ESG INDICATORS

Dimensión	Tema Material	Periodicidad	Indicadores	Meta 2023	Resultado 2023
Ambiental	Cambio climático, energía	Trimestral	Gases de Efecto Invernadero por volumen de acero (Tn. CO2 / Tn. Acero)	0.31	0.39
	Agua y efluentes	Semestral	Consumo de agua (m3 / Tn. Acero)	2.5	2.4
	Gestión de coproductos		% de reaprovechamiento de coproductos	72%	105%
Social	Relacionamiento con partes interesadas	Trimestral	% voluntarios actuantes	30%	42%
			Número de personas beneficiadas	10,000	16,596
			% de inversión social realizada con relación al beneficio bruto	0.50%	1.00%
		Anual	% Satisfacción de Colaboradores	85%	85%
			% Satisfacción de Clientes	80%	77%
	Diversidad e Inclusión	Trimestral	% de mujeres en posición de liderazgo	28%	26%
			% de mujeres en la empresa	8%	8%
			% de mujeres (practicantes universitarios, técnicos y aprendices)	54%	59%
			% de Personas con Discapacidad en la Empresa	0.40%	0.40%
			Tasa de Gravedad	25	144
	Seguridad y Salud		IPS - Índice Ponderado de seguridad (específico SIDERPERU)	3.9	5.5
	Gobernanza	Ética y Gobernanza Corporativa	Trimestral	EBITDA	101
EVA- Valor Económico Agregado (dólares)				20	-4

Lima, 27 de marzo de 2024

Señores

Empresa Siderúrgica del Perú S.A.A.

Av. Juan de Arona N° 151, Quinto Piso, Torre B, Oficina 503

San Isidro, provincia y departamento de Lima

Presente.-

Atención: Marcos Mattiello
Director Ejecutivo y Gerente General

Referencia: Declaración de independencia como miembro titular del Directorio de
Empresa Siderúrgica del Perú S.A.A. (SIDERPERU).

De mi mayor consideración:

Para los efectos del Reporte sobre el Cumplimiento del Código de Buen Gobierno Corporativo para Sociedades Peruanas, el suscrito, miembro de vuestro Directorio, cumple formalmente con su declaración de independencia como Director Titular Independiente de Empresa Siderúrgica del Perú S.A.A. (SIDERPERU).

Atentamente



Leslie Harold Pierce Diez Canseco
Presidente del Directorio de SIDERPERU
D.N.I. 07998094

Lima, 27 de marzo de 2024

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Atentamente



Juan Boria Rubio
Miembro del Directorio de SIDERPERU
D.N.I. 08775269